

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

Seventeenth Congress
Third Regular Session

HOUSE BILL NO. 8866



Introduced by Hon. Milagros Aquino-Magsaysay

Explanatory Note

According to the Philippine Statistics Authority, the agriculture sector accounts to 10.26 million employed persons in 2017, representing 25.44 percent of the national employment. (Philippines Statistics Authority, 2018) The PSA also noted that from 2013 to 2015, there was a steady decline of an average of .53 to 1.39 percent on the country's agricultural employment rate. This is alarming as the country is losing at least one percent of its workforce in the agricultural sector every year.

Another challenge facing the agriculture sector is the aging of the Filipino farmer. Based on an IRI Report in February 2013, the average age of the Filipino farmer is 57 which means they're three years shy of the nationally-accepted retirement age. Quoting an agriculture department official on the same report, "assuming an average life span of 70, we might reach a critical [shortage] of farmers in just 15 years."

It has also been reported that 4 out of 10 or roughly 41% of our 9 million elderly are continually engaged in the industry of agriculture, be it through farming or fisheries. We credit this to the fact that our aging agricultural workers are not accorded a life of income security upon reaching their ripe age of retirement that they see the need to continue working. The declining workforce in agricultural sector and aging of the farmers also means that less and less young people are pursuing careers in agriculture.

Poverty incidence remain highest in the agricultural sector based on the government report. Workers also in agriculture sector are least likely to be covered by social

security benefits and have a pension when they retire, mainly because of their low, seasonal, and often volatile wages.

This proposed measure seeks to guarantee pension and social security benefits of registered and eligible agricultural workers by subsidizing their Social Security System (SSS) premium payments. The creation of Agricultural Workers Pension and Social Security Benefit Scheme will not only guarantee a basic pension for our aging farmers and fishermen who retire from food production work because of old age, but also encourage new generations of young workers in the agriculture sector.

In view of the foregoing, passage of this bill is earnestly sought.



Milagros Aquino Magsaysay

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AN ACT
CREATING AN AGRICULTURAL WORKERS PENSION AND SOCIAL
SECURITY BENEFIT SCHEME TO PROVIDE PENSION AND SOCIAL
SECURITY BENEFITS TO FARMERS AND FISHERFOLK

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. Title – This Act shall be known as the “National Farmers and Fisher Folk Social Security and Pension Act”

SECTION 2. Declaration of Policy – The Constitution provides that the State shall, from time to time, review to upgrade the pensions and other benefits due to retirees of both the government and private sectors. As far as may be possible, it should provide to those who have less in life the opportunity to earn for their living so that they may play a more active role in the development of their families and communities, as well as in the socio-economic and political spheres. It is the duty of the State to create conditions which are necessary to realize the right of all citizens particularly the underprivileged the equal opportunity.

SECTION 3. Creation of the Farmers and Fisher Folk Pension and Social Security Benefit Scheme – The Farmers and Fisher Folk Pension and Social Security Benefit Scheme is hereby

established to provide pension and other social security benefits to agricultural workers, specifically farmers and fisher folks (herein after referred to as “the Scheme”)

SECTION 4. *Government premium subsidy.* Under the Scheme, the State shall cover the full Social Security System (SSS) premium contributions of qualified agricultural workers to enable them to enroll and sustain their membership to SSS, and to provide pension benefits to agricultural workers for an assured income and secured retirement in their old age. The beneficiary shall receive the premium subsidy for a maximum of ten (10) years provided that said beneficiary shall continuously remain an agricultural worker within the aforementioned period.

SECTION 5. *Eligibility.* Any agricultural workers registered under the Registry System for Basic Sectors in Agriculture (RSBSA) is not less than eighteen years of age and not more than fifty-nine years of age shall be entitled to join the Scheme.

SECTION 6. *Benefits under the scheme.* An agricultural worker who joins the Scheme shall be entitled to a Pension and other package of benefits under the Social Security and Employees Compensation (EC) Programs in the event of death, disability, sickness and maternity.

SECTION 7. *Implementing Agency* – The Philippine Crop Insurance Corporation (PCIC), an attached agency of the Department of Agriculture (DA) shall be the main implementing agency of the provisions of this Act. To fulfill the goals of this Act, it shall perform the following duties and functions:

- a. Manage the registration system of eligible agricultural workers under the Registry System for Basic Sectors in Agriculture (RSBSA);
- b. Ensure that the beneficiaries identified are registered under RSBSA and are not covered for the same government subsidy;
- c. Promulgate the implementing rules and regulations of this Act;
- d. Maintain the required actuarial financial and operational reports in respect of the Scheme;
- e. Coordinate with the Social Security System (SSS) in enrolling the eligible members to the Scheme;

- f. Monitor, evaluate and review the Scheme and effect changes in the operational rules where necessary and where it is empowered to do so; and
- g. Perform other duties and functions towards efficient and effective implementation of this Act.

SECTION 8. *Implementing Rules and Regulations* – Within ninety (90) days from the effectivity of this Act, the PCIC Board of Directors shall, in consultation with the Secretary of Agriculture and representatives of recognized farmers and fisher folk groups, promulgate rules and regulations necessary for the effectivity of this Act.

SECTION 9. *Appropriations* – To carry out the provisions of this Act, such amount as may be necessary is hereby authorized to be appropriated from the National Treasury. Thereafter, the amount necessary for the continuous operation of the Program shall be included in the annual appropriations of the Department of Agriculture.

SECTION 10. *Seperability Clause*. – If any provision of this Act is declared invalid or unconstitutional, the other provisions not affected thereby shall continue to be in full force and effect.

SECTION 11. *Repealing Clause*. – All laws, decrees, executive orders or rules and regulations contrary to or inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SECTION 12. *Effectivity Clause*. This Act shall take effect fifteen (15) days from its publication in the Official gazette or in at least two (2) newspapers of general circulation.

Approved